

## Message Text

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51

ACTION MMS-03

INFO OCT-01 ARA-10 ISO-00 PER-05 EB-05 COME-00 SS-20 ABF-01

A-01 /046 W

----- 087225

R 121330Z OCT 73

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 34

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 7025

E.O. 11652: N/A

TAGS: APER, BR

SUBJ: PERSONNEL: COMMERCIAL OPERATIONS IN BRAZIL

1. BECAUSE OF THE IMPORTANCE OF THE EXPORT PROMOTION EFFORTS OF THE US, I HAVE REVIEWED OUR COMMERCIAL OPERATIONS IN BRAZIL WITH PARTICULAR ATTENTION TO OUR STAFFING PATTERN. I HAVE BEEN STRUCK BY THE SMALL NUMBER OF OFFICERS THAT WE HAVE WORKING FULL-TIME ON COMMERCIAL AFFAIRS. WE HAVE A COMMERCIAL COUNSELOR, TWO OFFICERS IN RIO, TWO IN SAO PAULO AND ONE IN RECIFE. THE STAFF OF LOCALS ON WHICH THESE OFFICERS DEPEND HAS GREAT DIFFICULTY IN MEETING CURRENT OPERATIONAL REQUIREMENTS. I HAVE CONSIDERED THE POSSIBILITY OF TRANSFERRING POSITIONS FROM OTHER SECTIONS TO COMMERCIAL WORK. SUCCESSIVE CUTS IN PERSONNEL, HOWEVER, HAVE TRIMMED OUR STAFF SO SHARPLY THAT SUCH TRANSFERS ARE NOT FEASIBLE.

2. EXPORT POTENTIAL FOR US GOODS IS HIGH IN BRAZIL AND IS GROWING DRAMATICALLY. OUR EXPORTS TO BRAZIL IN THE FIRST SIX MONTHS OF 1973 AMOUNTED TO \$745 MILLION, COMPARED TO \$581 MILLION FOR THE SAME PERIOD LAST YEAR. BUT WE ARE MEETING INCREASING COMPETITION FROM THIRD COUNTRIES IN THIS MARKET. BRAZIL IS A LARGE AND DIVERSE COUNTRY. IF WE INTEND TO TRY TO IMPROVE OUR EXPORT PERFORMANCE IN BRAZIL, WE WILL REQUIRE ADDITIONAL PERSONNEL

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AND INCREASED EFFORTS.

3. RECENTLY APPROVED ADDITIONS (ONE AMERICAN COMMERCIAL OFFICER AND ONE FSL FOR PORTO ALEGRE AND ONE FSL FOR SAO PAULO) WILL HELP IN MEETING CURRENT COMMERCIAL WORKLOADS FOR THESE POSTS, BUT DO NOT PROVIDE SUFFICIENT PERSONNEL TO CARRY OUT MUCH NEEDED IN-HOUSE MARKET ANALYSIS OR TO SERVICE NEW OR EXPANDED PROGRAMS FOR PROMOTING US EXPORTS TO THIS GROWING MARKET.

4. THE IMPROVEMENT AND EXPANSION OF OUR SERVICES IN BRAZIL TO US EXPORTERS AND INVESTORS WILL THUS REQUIRE NEW COMMERCIAL POSITIONS FOR FY-74 IN ADDITION TO THOSE ALREADY APPROVED. IN ORDER OF PRIORITY, THE FOLLOWING ADDITIONAL POSITIONS ARE NEEDED:

(A) ONE COMMERCIAL OFFICER (FSO-5 OR 6) AND ONE FSL TO STAFF A TRADE ANALYSIS UNIT AT THE AMCONGEN IN RIO. THIS UNIT WOULD BE DIRECTLY SUPERVISED BY THE COMMERCIAL COUNSELOR, AND WOULD BE ASSIGNED TO WHEREVER THE LATTER'S RESIDENT POST MIGHT BE IN THE FUTURE.

(B) ONE COMMERCIAL OFFICER (FSO-5 OR 6) TO THE AMCONGEN IN SAO PAULO.

(C) ONE COMMERCIAL OFFICER (FSO-5 PREFERABLY) TO RIO WHO WOULD DEVOTE HIS ATTENTION TO THE IMPORTANT BELO HORIZONTE MARKET AREA. RE-OPENING A CONSULATE AT BELO HORIZONTE IN THE NEAR FUTURE AS A COMMERCIAL INTEREST POST IS HIGHLY DESIRABLE. SHOULD THIS OCCUR, THE OFFICER IN THIS POSITION WOULD BE ASSIGNED AS CONSUL AND PRINCIPAL OFFICER OF THE POST AND HE SHOULD BE RECRUITED WITH THAT IN MIND.

5. I UNDERSTAND THAT THE ABOVE RECOMMENDATIONS FOR ADDITIONAL COMMERCIAL POSITIONS ARE CONSISTENT WITH THOSE BEING PROPOSED BY STATE-COMMERCE SPECIAL WORKING GROUP ON BRAZIL, WHICH IS CURRENTLY MEETING UNDER CHAIRMANSHIP OF MURRAY P. RENNERT IN COMMERCE. I WISH TO RECORD MY SUPPORT FOR THESE INITIATIVES AND TO URGE THAT THESE NEW POSITIONS BE AUTHORIZED AS SOON AS POSSIBLE.

CRIMMINS

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